

**THE OFFICE OF REGULATORY STAFF**

**DIRECT TESTIMONY AND EXHIBIT  
OF**

**M. ELIZABETH FORD**

**MAY 15, 2008**



**DOCKET NO. 2008-94-S**

**APPLICATION OF CLS UTILITIES, LLC FOR  
APPROVAL OF THE AGREEMENT, BOND,  
OPERATION, MONTHLY RATE AND  
SERVICE AREA FOR THE SEWAGE PUMP  
STATION IN THE HARVEST GLEN  
SUBDIVISION IN GREENVILLE COUNTY,  
SOUTH CAROLINA**

**DIRECT TESTIMONY OF M. ELIZABETH FORD**

**FOR**

**THE OFFICE OF REGULATORY STAFF**

**DOCKET NO. 2008-94-S**

**IN RE: APPLICATION OF CLS UTILITIES, LLC FOR APPROVAL OF THE  
AGREEMENT, BOND, OPERATION, MONTHLY RATE AND SERVICE  
AREA FOR THE SEWAGE PUMP STATION IN THE HARVEST GLEN  
SUBDIVISION IN GREENVILLE COUNTY, SOUTH CAROLINA.**

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND  
OCCUPATION.**

A. My name is Elizabeth Ford, and my business address is 1441 Main Street,  
Suite 300, Columbia, South Carolina 29201. I am employed by the State of South  
Carolina, Office of Regulatory Staff ("ORS") as a Program Specialist for the  
Water and Wastewater Department.

**Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND  
EXPERIENCE.**

A. In 2003, I graduated from Clemson University with a Bachelors of Arts in  
Sociology. After graduating from Clemson University, I was employed by the  
South Carolina Public Service Commission in Consumer Services assisting  
telecommunications customers. Later, I joined ORS with the transfer of consumer  
services responsibilities. In September of 2005, I was promoted to Lifeline Intake

1           Manager. As the Intake Manager, I assisted and verified low-income individuals  
2           for the South Carolina Lifeline and Link-up program. In June 2007, I became the  
3           Program Specialist for the Water and Wastewater Division.

4   **Q.   CAN YOU DESCRIBE YOUR RESPONSIBILITIES AS THE PROGRAM**  
5   **SPECIALIST FOR WATER AND WASTEWATER WITH THE OFFICE**  
6   **OF REGULATORY STAFF?**

7   A.           Yes. My responsibilities include performing analyses and providing  
8           testimony in formal proceedings before the Commission regarding rate base  
9           determinations, rate schedules, general terms and conditions, cost of service and  
10          depreciation studies, and compliance with applicable rules and regulations. In  
11          addition, my responsibilities include monitoring federal activity to determine its  
12          impact on state regulations and policies.

13 **Q.   WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**  
14 **PROCEEDING?**

15 A.           The purpose of my testimony is to set forth the ORS staff findings relative  
16          to my review of the application of CLS Utilities, LLC ("CLS") for approval of the  
17          agreement, bond, operation, monthly rate and service area for the sewage pump  
18          station for the Harvest Glen Subdivision ("Harvest Glen") in Greenville County.  
19          Specifically, I will focus on ORS's review of CLS's Wastewater Rate Study and  
20          compliance with the Commission's rules and regulations.

21 **Q.   ARE THE FINDINGS OF YOUR REVIEW CONTAINED IN THIS**  
22 **TESTIMONY AND ACCOMPANYING EXHIBIT?**

1 A. Yes, my testimony and the attached exhibit detail ORS's findings and  
2 recommendations.

3 **Q. PLEASE EXPLAIN HOW YOU COMPILED INFORMATION FOR YOUR**  
4 **TESTIMONY AND EXHIBIT.**

5 A. I used information provided by CLS in its Wastewater Rate Study and  
6 additional information provided by CLS during the course of the ORS review of  
7 the proposed agreement.

8 **Q. PLEASE PROVIDE AN OVERVIEW OF THE LOCATION, SERVICE**  
9 **AND CUSTOMER BASE TO BE PROVIDED SERVICE BY CLS**  
10 **UTILITIES, LLC.**

11 A. The proposed Harvest Glen Subdivision ("Harvest Glen") is located in  
12 Greenville County and will be subdivided into one hundred sixty-one residential  
13 lots. The wastewater collection system, pumping station, and associated force  
14 main will be constructed in conjunction with the development of Harvest Glen.  
15 The wastewater collection system will be owned, operated, and maintained by the  
16 Metropolitan Sewer Sub-District ("MSSD") of Greenville, South Carolina.  
17 MSSD will charge each single family residence of Harvest Glen individually for  
18 its wastewater collection and treatment services. MSSD will convey the  
19 wastewater to CLS at the proposed wastewater pumping station located along the  
20 east side of Carr Road. The wastewater pumping station and associated force  
21 main will be owned, operated and maintained by CLS and its only customer will  
22 be the Harvest Glen Homeowners Association. CLS will then convey the  
23 wastewater through the pumping station and associated force main to an existing

1 wastewater pumping station located along the south side of Griffin Road that is  
2 owned, operated, and maintained by the MSSD.

3 **Q. WHAT AMOUNT DOES THE ORS RECOMMEND FOR THE CLS**  
4 **UTILITIES, LLC PERFORMANCE BOND?**

5 A. Based on the anticipated operating and maintenance expenses provided by  
6 CLS in the Wastewater Rate Study, ORS determined that the face amount of  
7 CLS's bond should be \$100,000. See Exhibit MEF-1.

8 **Q. DOES CLS HAVE THE TECHNICAL, FINANCIAL AND MANAGERIAL**  
9 **QUALIFICATIONS TO OPERATE THE PROPOSED WASTEWATER**  
10 **PUMPING STATION?**

11 A. The current owner and operator of CLS, James Caldwell, presently  
12 operates and maintains twenty-eight private wastewater lift and/or water booster  
13 stations and thirty-one municipal lift stations in North and South Carolina. Mr.  
14 Caldwell provides the technical and managerial qualifications needed to operate  
15 CLS. ORS reviewed the proposed operational expenses as outlined in the  
16 Wastewater Rate Study prepared by Alliance Consulting Engineers, Inc. ORS  
17 anticipates CLS will maintain financial viability at the proposed rates after  
18 subdivision build out of one hundred and sixty-one residential units. At build out  
19 the proposed rates result in a 12.51% operating margin as calculated by ORS.

20 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

21 A. Yes it does.

CLS Utilities, LLC.  
2008-94-S  
Performance Bond Calculation

EXHIBIT MEF-1

<b>Annual Fixed Operational and Maintenance Expenses</b>	<b>Estimated Amount</b>
Weekly Maintenance Inspections	\$10,400
Semi-Annual Preventative Maintenance Service	\$2,000
PSC/ORS Reporting	\$1,200
Telephone Service	\$324
Natural Gas Service	\$720
Water Service	\$113
Depreciation	\$15,406
Property Insurance	\$900
Property Taxes	\$2,376
<b>Total</b>	<b>\$33,439</b>

<b>Annual Variable Operational Expenses</b>	<b>No. of Single Family Residences</b>	<b>Estimated Amount</b>	<b>Annual Sub Total Operational and Maintenance Expenses</b>
Electrical Service	0	\$82	\$33,521
Electrical Service	40	\$512	\$33,951
Electrical Service	80	\$942	\$34,381
Electrical Service	120	\$1,372	\$34,811
Electrical Service	160	\$1,802	\$35,241

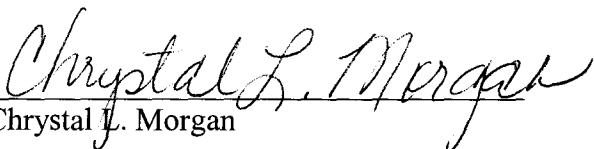
<b>Required Minimum Bond Amount</b>	<b>\$100,000</b>
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**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2008-94-S**

IN RE:	)	
<b>Application of CLS Utilities, LLC for Approval of</b>	)	<b>CERTIFICATE OF</b>
<b>the Agreement, Bond, Operation, Monthly Rate</b>	)	<b>SERVICE</b>
<b>and Service Area for the Sewage Pump Station in</b>	)	
<b>The Harvest Glen Subdivision in Greenville County,</b>	)	
<b>South Carolina</b>	)	

This is to certify that I, Chrystal L. Morgan, an employee with the Office of Regulatory Staff, have this date served one (1) copy of the **DIRECT TESTIMONY AND EXHIBIT OF M. ELIZABETH FORD** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

Richard L. Whitt, Esquire  
Austin & Rogers, P.A.  
Post Office Box 11716  
Columbia, SC, 29201

  
Chrystal L. Morgan

May 15, 2008  
Columbia, South Carolina